LUCKY LAKE POTATO STORAGE INC.

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31
(UNAUDITED)

	1999	1998
	(Thousands of Dollars)	
ASSETS		
CURRENT ASSETS		
Cash	$ 48	$ 52
Accounts receivable	114	2,813
	$ 162	$ 2,865
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 93	$ 237
Current portion of mortgage payable (note 5)	-	73
	93	310
MORTGAGE PAYABLE (note 5)	-	2,532
	93	2,842
SHAREHOLDERS' EQUITY		
RETAINED EARNINGS	69	23
	$ 162	$ 2,865

Director

See accompanying notes

LUCKY LAKE POTATO STORAGE INC.

STATEMENT OF OPERATIONS AND RETAINED EARNINGS
YEAR ENDED DECEMBER 31
(UNAUDITED)

	1999	1998
	(Thousands of Dollars)	
REVENUE		
Rental Income	$ 19	$ 182
Interest	2	2
Other	50	2
	71	184
EXPENSES		
Interest	14	144
Operations	11	(2)
	25	142
NET INCOME FROM OPERATIONS	46	42
RETAINED EARNINGS, BEGINNING OF YEAR	23	(19)
RETAINED EARNINGS, END OF YEAR	$ 69	$ 23

See accompanying notes

LUCKY LAKE POTATO STORAGE INC.

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31
(UNAUDITED)

	1999	1998
	(Thousands of Dollars)	
Operating activities		
Net income	$ 46	$ 42
Charges and credits not affecting cash:		
Loss on disposal of assets	-	35
Net changes in non-cash working capital balances relating to operations:		
Accounts receivable	2,699	53
Accounts payable	(144)	(5,202)
Cash provided by (used in) operating activities	2,601	(5,072)
Investing activities		
Capital expenditures	-	(135)
Proceeds on disposal of assets	-	2,605
Cash used in investing activities	-	2,470
Financing activities		
Proceeds from mortgages	-	2,656
Repayment of mortgages	(2,605)	(52)
Cash provided by (used in) financing activities	(2,605)	2,604
INCREASE (DECREASE) IN CASH	(4)	2
CASH, BEGINNING OF YEAR	52	50
CASH, END OF YEAR	$ 48	$ 52

See accompanying notes

LUCKY LAKE POTATO STORAGE INC.
Notes to the Financial Statements
December 31, 1999
(Unaudited)

1. Status of the Corporation

Lucky Lake Potato Storage Inc. was formed in April, 1997. The corporation's purpose is to facilitate construction of potato storage facilities in the Lake Diefenbaker area of Saskatchewan.

2. Ownership of the Corporation

At December 31, 1999, ownership of the corporation was held solely by Saskatchewan Water Corporation.

3. Significant Accounting Policies

Capital Assets

Capital assets are recorded at cost.

4. Mortgage Payable

1999	1998
(Thousands of Dollars)	
$ 0	$2,532

The mortgage was due to the Canadian Imperial Bank of Commerce.

During 1999, this mortgage was transferred to Tullis Potato Storage Inc. (also wholly owned by Saskatchewan Water Corporation at that time) to facilitate sale of the corporation's potato storage building.

LUCKY LAKE POTATO STORAGE INC.
Notes to the Financial Statements
December 31, 1999
(Unaudited)

5. Related Party Transactions

Saskatchewan Water Corporation and Con-Force Investments Inc. (in 1998) are related parties to the corporation through their ownership interest. Below is a summary of transactions and amounts outstanding at year end:

	1999	1998
	(Thousands of Dollars)	
Saskatchewan Water Corporation:		
Accounts receivable	$ 113	$2,623
Accounts payable	1	187
Revenue	19	182
Expenses	-	35
Con-Force Investments Inc.:		
Expenses		(37)
Tullis Potato Storage Inc.		
Accounts Payable	90	-